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Financing of the International Residual Mechanism for Criminal Tribunals

First performance report of the International Residual Mechanism for Criminal Tribunals for the biennium 2018–2019

Report of the Secretary-General

Summary

The present report identifies revised estimates for the International Residual Mechanism for Criminal Tribunals as a result of variations in costing parameters assumed at the time of the initial appropriation. The decreased requirements are the result of decreases with respect to vacancy rates and exchange rates, offset in part by increases with respect to standard costs and inflation. The General Assembly is requested to approve a revised appropriation for the biennium 2018–2019 in the amount of $195,720,600 gross ($174,690,800 net), reflecting a decrease of $303,500 gross ($356,800 net).

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I. Introduction

1. The primary purpose of the first performance report is to identify revised estimates for the International Residual Mechanism for Criminal Tribunals owing to variations in the rates of inflation and exchange and in the standards and vacancy rates assumed in the calculation of the initial appropriation.

2. The gross decrease in requirements of $303,500 resulting from the above technical adjustments is shown in tables 1 and 2. Table 1 reflects the changes by component and main determining factors, and table 2 reflects the changes by object of expenditure and main determining factors.

3. Explanations of the variations in the costing parameters assumed in the calculation of the initial appropriation are provided in section II. In addition, the annex provides the budgetary assumptions used in the initial appropriation for the biennium 2018–2019 and the rates proposed in the present report.

Table 1
Summary of projected expenditures and income by component and main determining factors
(Thousands of United States dollars)

		Projected changes					
Component	*2018–2019 appropriation*[a]	*Exchange rate*	*Inflation*	*Standard costs*	*Vacancy rates*	*Total*	*Proposed revised appropriation*
A. Chambers	5 056.7	(19.8)	(9.4)	–	–	(29.2)	5 027.5
B. Office of the Prosecutor	31 133.9	(155.7)	5.7	581.2	(593.5)	(162.3)	30 971.6
C. Registry	139 409.2	(652.9)	307.0	2 640.6	(2 231.5)	63.2	139 472.4
D. Records management and archives	10 360.6	(55.1)	(15.2)	484.7	(356.6)	57.8	10 418.4
E. Liabilities for payment of pensions of retired judges	10 063.7	(61.2)	(171.8)	–	–	(233.0)	9 830.7
Total expenditure (gross)	**196 024.1**	**(944.7)**	**116.3**	**3 706.5**	**(3 181.6)**	**(303.5)**	**195 720.6**
Income							
Staff assessment income	20 976.5	(99.8)	31.1	446.8	(324.8)	53.3	21 029.8
Total (net)	**175 047.6**	**(844.9)**	**85.2**	**3 259.7**	**(2 856.8)**	**(356.8)**	**174 690.8**

[a] As approved in General Assembly resolution 72/258 B.

Table 2
Summary of projected expenditures by object of expenditure and main determining factors
(Thousands of United States dollars)

		Projected changes					
Object of expenditure	*2018–2019 appropriation*[a]	*Exchange rate*	*Inflation*	*Standard costs*	*Vacancy rates*	*Total*	*Proposed revised appropriation*
Posts	39 442.9	(165.6)	411.2	3 259.7	(2 856.8)	648.5	40 091.4
Other staff costs	79 232.0	(408.8)	(100.2)	–	–	(509.0)	78 723.0
Non-staff compensation	11 549.2	(61.8)	(128.9)	–	–	(190.7)	11 358.5
Consultants	24.2	(1.1)	(0.5)	–	–	(1.6)	22.6
Experts	287.4	(0.5)	(2.9)	–	–	(3.4)	284.0
Travel of representatives	411.7	–	1.6	–	–	1.6	413.3
Travel of staff	2 927.0	–	11.8	–	–	11.8	2 938.8

Object of expenditure	2018–2019 appropriation[a]	Projected changes					Proposed revised appropriation
		Exchange rate	Inflation	Standard costs	Vacancy rates	Total	
Contractual services	14 784.0	(66.6)	(10.2)	–	–	(76.8)	14 707.2
General operating expenses	21 046.9	(113.8)	(58.7)	–	–	(172.5)	20 874.4
Hospitality	21.5	(0.2)	(0.2)	–	–	(0.4)	21.1
Supplies and materials	1 323.0	(6.9)	(13.3)	–	–	(20.2)	1 302.8
Furniture and equipment	2 763.0	(20.9)	(22.7)	–	–	(43.6)	2 719.4
Improvement of premises	212.3	2.9	(1.6)	–	–	1.3	213.6
Grants and contributions	1 022.5	(1.6)	(0.2)	–	–	(1.8)	1 020.7
Staff assessment	20 976.5	(99.8)	31.1	446.8	(324.8)	53.3	21 029.8
Total (gross)	**196 024.1**	**(944.7)**	**116.3**	**3 706.5**	**(3 181.6)**	**(303.5)**	**195 720.6**
Income							
Staff assessment income	20 976.5	(99.8)	31.1	446.8	(324.8)	53.3	21 029.8
Total (net)	**175 047.6**	**(844.9)**	**85.2**	**3 259.7**	**(2 856.8)**	**(356.8)**	**174 690.8**

[a] As approved in General Assembly resolution 72/258 B.

II. Explanation of the variances in gross requirements

4. The variances resulting from the main determining factors reflected in tables 1 and 2 amount to a decrease of $303,500 in expenditure requirements, for a total revised appropriation of $195,720,600 (gross), the details of which are set out in table 3 below.

Table 3
Projected changes in budget estimates for the biennium 2018–2019

(Thousands of United States dollars)

Category	Amount	Factor
Appropriation[a]	196 024.1	
Variances relating to changes in budgetary assumptions on:		
Exchange rates	(944.7)	Based on United Nations operational rates of exchange
Inflation assumptions	116.3	Based on consumer price indices, post adjustment multipliers promulgated and actual versus budgeted cost-of-living adjustments
Standard salary and common staff costs	3 706.5	Based on analysis of actual payroll data, common staff costs and staff assessment provisions
Vacancy rates	(3 181.6)	Based on analysis of actual vacancy rates
Revised total	**195 720.6**	

[a] As approved in General Assembly resolution 72/258 B.

A. Exchange rates

(Decrease: $944,700)

5. As indicated in the proposed revised budget for the biennium 2018–2019 for the International Residual Mechanism (A/72/813 and A/72/813/Corr.1, para. 29), the

programme budget is recosted in line with the standard regular budget recosting methodology. In line with section IX of General Assembly resolution 69/274 A, the budgeted exchange rates approved in the initial appropriation were based on a forward exchange rate for which an active forward market exists.

6. In the present report, the exchange rate realized from January to October 2018 has been applied to 2018 (see figures I and II), with the approved 2018 forward rate applied to November and December 2018. For 2019, the revised forward rates of 0.835 for the euro and 2,344.55 for the Tanzanian shilling have been applied, compared with the rates of 0.833 for the euro and 2,290.69 for the Tanzanian shilling assumed in the initial appropriation.

7. The decrease of $944,700 reflects the reduced requirements for the biennium 2018–2019 owing mainly to the impact of the above adjustments.

Figure I
Performance of the euro against the United States dollar, 2018

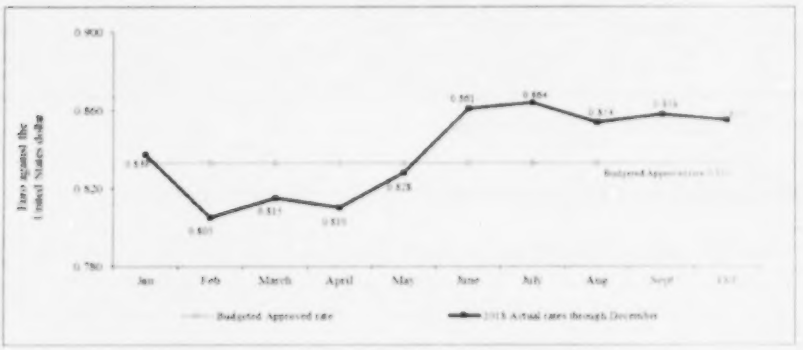
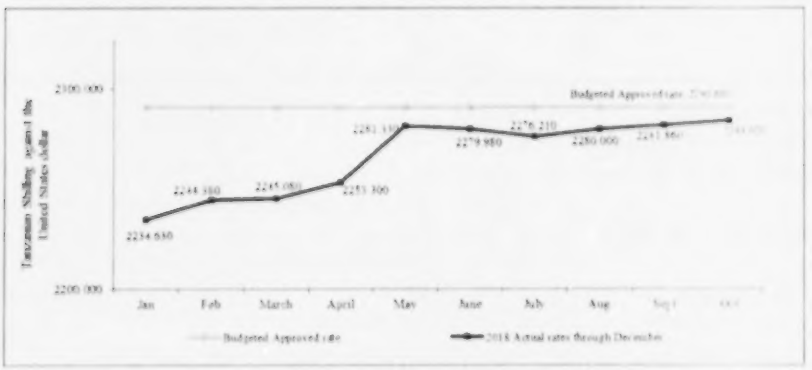


Figure II
Performance of the Tanzanian shilling against the United States dollar, 2018



B. Inflation assumptions

(Increase: $116,300)

8. The revised projected inflation rates applied to all objects of expenditure for the International Residual Mechanism in Arusha, United Republic of Tanzania, and The Hague, Netherlands, are based on: (a) post adjustment multipliers that have been promulgated by the International Civil Service Commission (ICSC) for staff in the

Professional and higher categories for the period from January to October 2018 and projections by ICSC based on updated parameters for exchange rates and inflation; (b) actual versus budgeted cost-of-living adjustments based on prevailing market conditions for staff in the General Service and related categories as experienced in 2018 and projections for 2019; and (c) the latest available information on consumer price indices as derived from *The Economist* for non-post objects of expenditure.

9. The increased requirements relate mainly to the post object of expenditure owing to higher inflation with regard to multiplier changes, including consolidation of point adjustments, compared with those assumed in the initial appropriation.

C. Standard salary and common staff costs

(Increase: $3,706,500)

10. Adjustments to standard costs reflect the net effect of changes in standard salary costs, common staff costs and staff assessment. Revisions to standard salary costs for 2018 are based on the actual payroll averages experienced thus far, by category and level, at each duty station. For the present report, the monthly payroll averages from January to September 2018 for Arusha and The Hague have been analysed for each category and level and compared with those used in the initial appropriation. Projections for 2019 are based on the trends experienced in 2018.

11. Common staff costs are budgeted as a percentage of net salaries for each duty station. Expenditures under common staff costs relate to allowances and benefits, appointments, transfers and separation of staff. Adjustments to common staff costs are based on the analysis of actual common staff costs experienced at the two duty stations during the biennium 2016–2017 and the current period from January to September 2018, compared with those assumed in the initial appropriation.

12. The increase of $3,706,500, mainly under common staff costs, reflects an increase in pension subsidy related to the revised pensionable remuneration scales for the Professional category issued by ICSC in February 2017 and February 2018 and increases related to staff movement, including appointment, separation and transfer entitlements, as well as a related increase in staff assessment.

D. Vacancy rates

(Decrease: $3,181,600)

13. The decrease of $3,181,600 results from adjustments made to the 2018–2019 vacancy rates to take into account the experience realized in 2018, as reflected in the annex to the present report.

III. Action requested of the General Assembly

14. **The General Assembly is requested:**

(a) **To take note of the present report;**

(b) **To approve a revised appropriation for the biennium 2018–2019 in the amount of $195,720,600 gross ($174,690,800 net), reflecting a decrease of $303,500 gross ($356,800 net).**

Annex

Budgetary assumptions for the International Residual Mechanism for Criminal Tribunals for the biennium 2018–2019

	The Hague				Arusha				New York			
	[illegible]		[illegible]		[illegible]		Present report		Initial appropriation		Present report	
Budget parameters	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Rate of exchange[a]	0.833	0.833	0.838	0.835	2 290.690	2 290.690	2 269.069	2 344.550	1.000	1.000	1.000	1.000
Inflation rate (percentage)	1.6	1.8	1.9	2.3	5.4	5.5	2.9	4.8	2.2	2.3	2.8	2.4
Post adjustment multiplier (percentage)	41.00	41.73	40.26	39.85	37.13	38.73	39.07	36.23	66.15	69.78	66.70	67.38
Common staff costs rate (percentage)	34.8	34.8	42.2	42.2	48.9	48.9	62.0	62.0	41.2	41.2	48.5	48.5
Vacancy rates for continuing posts (percentage):												
Professional and higher categories	7.5	7.5	0.9	0.9	8.1	8.1	19.3	19.3	25.8	25.8	–	–
General Service and related categories	1.3	1.3	2.3	2.3	1.6	1.6	11.7	11.7	–	–	–	–
Vacancy rates for new posts (percentage):												
Professional and higher categories	50	50	50	50	50	50	50	50	50	50	50	50
General Service and related categories	35	35	35	35	35	35	35	35	35	35	35	35

[a] The Hague: euro to United States dollar; Arusha: Tanzanian shilling to United States dollar.